

The Financial Times of Indiana

Budget and Tax News from the Office of Governor Frank O'Bannon

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The News in brief...

O'Bannon, Kernan continue spreading the word: Hoosier jobs, home and farm ownership at stake



Governor O'Bannon discusses the upcoming special session with municipal leaders. Seated left to right: IACT Executive Director Matt Greller, Lafayette Mayor Dave Heath (R), Governor O'Bannon, Columbus Mayor Fred Armstrong (D) and Richmond Mayor Shelley Miller (R). Not pictured: New Castle Mayor Sherman Boles, and Muncie Mayor Dan Canan.

Each of the leaders stressed the need to restructure Indiana's tax structure to grow jobs and protect homeowners.

"These city leaders are here because they know what is best for the state of Indiana," the Governor said. "They've come here today to let Hoosiers know they are a part of the progress we are making toward tax restructuring and the budget. They know what this means for their communities, and addressing the issues should be as easy as 1, 2, 3 for lawmakers."

Mayor Dave Heath said community leaders who work to create new jobs in Indiana have an impossible mission before them because of the uncertainty regarding Indiana's tax structure. "It's an uncertainty we can't live with," he said, calling on lawmakers to address both restructuring and the state's budget challenges.

Echoing that same message, Lieutenant Governor Joe Kernan visited with Ronnie Mohr at his farm near Greenfield. Lawmakers need to act so "farms and families can continue to thrive in Indiana now and in the future," Lt. Gov. Kernan said.

In the last few weeks, O'Bannon and Kernan have met with Hoosiers in Warsaw, Hancock County, South Bend, Fort Wayne, Indianapolis, Muncie, Terre Haute, Kokomo, Lafayette and Jeffersonville to demonstrate the special session's link to jobs and education.

The Governor said it best in a recent guest letter to Indiana newspapers: "We must protect the progress we've made in education. We must make sure homeowners are not driven from their homes by skyrocketing property taxes. And we must create jobs."

Governor O'Bannon and Lieutenant Governor Kernan continued spreading the word yesterday that state lawmakers need to be prepared to work together on May 14 when a Special Session of the General Assembly begins.

Five Indiana mayors joined the Governor in his office to demonstrate their bipartisan support for action this session and to call on lawmakers to also act in a bipartisan manner.

"It's important that we get the job done," said Columbus Mayor Fred Armstrong.



Mayor Sherman Boles (D) (left), and Mayor Dan Canan (R) talk following a news conference with Governor O'Bannon.

News From Other States



In Kentucky, the state legislature adjourned their special session gridlocked on a budget agreement, forcing Governor Paul Patton to consider the possibility of calling a **second** special session. Kentucky, like Indiana, operates on a two-year budget cycle, and was facing a \$533 million budget deficit earlier this year.

In Massachusetts, Senate Republicans recently outlined a plan that will increase riverboat and cigarette taxes to help close a projected \$1.2 billion deficit.

Sources: *Associated Press*, 5-1-02, *Evansville Courier & Press*, 5-2-02, *State Journal-Register*, 4-24-02

What Others Are Saying

"Once again, the Indiana Legislature has before it the opportunity to ease the state's immediate financial difficulties and to do some long-term restructuring of taxes. It is an opportunity that was missed during the final days of the regular legislative session."

Evansville Courier & Press, 4-30-02

"We believe that it is in the best interests of every parent, grandparent, business owner, employee and property taxpayer to see Indiana's tax structure revamped. If business is to grow in Indiana, Indiana must develop a tax system that makes it possible for business to thrive here. Every fiscal and tax expert seems to agree that tax restructuring is essential to desired and necessary business growth.

Bloomington Herald Times, 5-1-02

From IN School Boards Association, IN Assoc. of Public School Supts., and IN Assoc. of School Bus. Officials

"...compromise is the art of knowing when to look at the big picture instead of having tunnel vision to the detriment of the electorate."

Goshen News, 4-28-02